SECRETARY OF DEFENSE WILLIAM J. PERRY
LETTER TO SENATOR SAM NUNN URGING MILSTAR II PROGRAM CONTINUED, AS REPORTED IN THE PRESS
MAY 16, 1994

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Perry to Nunn: Don't kill Milstar II

Killing the Milstar II program would significantly hinder the "limited" industrial base developing extremely high frequency (EHF) communications technologies that are used by Milstar satellites and their planned follow-ons, Defense Secretary William Perry told Senate leaders.

"To cancel Milstar II at this time would save money only by deferring necessary capability and accepting additional risk to our defense posture for the next decade." Perry said in a May 16 letter to Senate Armed Services Committee Chairman Sam Nunn (D-Ga.) and ranking Republican Strom Thurmond (R-S.C.).

Nunn had asked for Perry's views on legislation introduced by Sen. Dale Bumpers (D-Ark.) that proposes killing the four Milstar II satellites that the Defense Dept. plans to orbit between 1999 and 2004 (DAILY, March 18, page 424). Milstar opponents in Congress have termed the system a "Cold War relic" that would cost at least $10 billion to design, launch and operate.

But Perry said canceling Milstar II would "adversely impact a limited industrial base for the sophisticated processed EHF technologies that are the basis of the Milstar system." The Pentagon plans to initiate a technology development effort called Advanced EHF for Milstar III, a lightweight follow-on to Milstar II planned for orbit in 2006.

Meanwhile, an anticipated House floor challenge to Milstar II by House Government Operations Committee Chairman John Conyers (D-Mich.) has failed to materialize, clearing the way for approval of the House Armed Services Committee's (HASC) markup of the program (DAILY, May 9, page 208).

The HASC authorization bill, on which the full House is voting, said Milstar III "should be accelerated so that it can be deployed early in the next decade." Such a move could eliminate the need for the last two Milstar II satellites, drawing criticism from Milstar II supporters who say there would be a coverage gap if Advanced EHF technology isn't developed quickly enough.

THE SECRETARY OF DEFENSE

WASHINGTON, THE DISTRICT OF COLUMBIA

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16 MAY 1994

The Honorable Sam Nunn
Chairman, Committee on Armed Services
United States Senate
Washington, D.C. 20510-6050

Dear Mr. Chairman:

We are responding to your March 17, 1994 letter requesting our views on S. 1941, 103rd Congress, 2nd Session, a bill "To terminate the Milstar II Communications Satellite Program."

The Department of Defense opposes this legislation. S. 1941 would terminate a critically important program that supports the combat potential of current and future military forces. Milstar provides command and control and information transfer capabilities essential to a smaller fighting force.

As you know, the Milstar program has been subjected to extensive reviews by this Department during the previous and current Administration. The extensive nature of those reviews provides evidence of our conviction in the need for the Milstar II system. I offer the following rationale for this essential combat support capability.

The Milstar system is planned to provide operational forces -- especially highly mobile tactical units -- secure, survivable, flexible communications on a world-wide basis. The system operates in a previously unused portion of the radio spectrum -- Extremely High Frequency (EHF). This attribute plus other features, like advanced signal processing and crosslinks, provide unique mission capabilities. Milstar supports fundamental requirements to provide integrated connectivity for theater and tactical elements through a modernized, jam-resistant communications network. Milstar is designed to satisfy requirements essential to the military needs of a CONUS-based, power-projection force:

- Anti-jam: Milstar communications are virtually immune to jamming.

- Covert Operations: Milstar provides low probability of intercept/detection; its use will not compromise the location of users to enemy listening systems.

- Deployment and Mobility: Milstar terminals will deploy and move with front-line forces.

511 SATELLITES

- Coverage and Connectivity: A complete constellation of four satellites will ensure worldwide access (except in the polar regions).

- Interoperability: Army, Navy, Air Force, and Marines -- Milstar enables immediate communications between all Services.

- Reachback: Milstar enables communications out of theater without reliance on foreign-based ground relays vulnerable to destruction, sabotage, or host nation policy restrictions.

The first two Milstar satellites will enable efficient synchronization of combat power and are not vulnerable to enemy efforts to deny U.S. forces this capability. With the addition of Milstar II satellites #3 through #6, Milstar will add additional capability to provide more data, faster to combat commanders. It will also enable the Army's Mobile Subscriber Equipment (MSE) to provide global communications to mobile combat commanders. No other system, existing or planned, can provide the flexibility and assurance of uninterrupted communications available from Milstar.

In response to Congressional direction, the Department restructured the Milstar program extensively three years ago. The Department significantly reduced cost and tailored the program to the changes in the national security environment. A Medium Data Rate payload was added to the satellite design and designated as the Milstar II satellite. The Department reviewed requirements and tailored the capabilities of Milstar II to provide "flexible" and assured communications for mobile forces -- redressing deficiencies observed during Desert Storm when U.S. ground forces outran their communications support.

In 1993, we further scrutinized the Milstar program as part of the Bottom Up Review -- consistent with a military strategy focused power projection and possible future theater conflict. The Department evaluated numerous alternatives to Milstar while considering an updated threat estimate, operational requirements, cost-effectiveness tradeoffs, risk, and affordability. The review emphasized Low and Medium Data Rate capabilities for U.S. tactical forces. It specifically addressed possible lower cost alternatives to the baseline program.

Our current investment strategy -- two Milstar I satellites, four Milstar II satellites, followed by a transition to an advanced EHF satellite not later than FY 2006 -- was selected because it best met military requirements and represented the best means of providing essential capability while reducing overall program cost. All other options were higher risk and deferred providing essential operational capability.

Transition to an advanced EHF system is an integral part of our investment strategy. However, its development represents a technical challenge. During the Bottom Up Review, the Technical Support Group identified the lack of maturity in packaging microwave and digital electronics as a risk area in downsizing the satellite payload so it could be launched on a medium launch vehicle (MLV). Our FY 1995 budget includes a request for $22.1 million to begin a focused technology effort to ensure technologies mature sufficiently to allow transition to a smaller payload.

We are continuing to search for the best approaches to this concept. If it is possible to transition to an advanced satellite sooner, save more money, and continue providing essential military capability with acceptable risk -- we will recommend such a program to Congress. The Department is committed to fielding cost-effective, affordable protected communications capabilities.

The Joint Chiefs of Staff have assured me they firmly support the requirements for assured, protected communications. The Milstar system satisfies these critical combat requirements in a timely and cost-effective manner. To cancel Milstar II at this time would save money only by deferring necessary capability and accepting additional risk to our defense posture for the next decade -- risk which could erode deterrence or translate into increased loss of life in a potential future conflict. Cancellation would also adversely impact a limited industrial base for the sophisticated processed EHF technologies that are the basis of the Milstar system.

The Department strongly recommends that the Milstar II communications satellite program not be terminated. It is a fundamental element in the Department of Defense mix of military and commercial satellite communications.

Sincerely,

William J. Perry

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TECHNOLOGY FOR MILSTAR FOLLOW-ON NOT MATURE--PERRY

Continuing to lobby Congress against early termination of the Milstar communications program, Defense Secretary Perry is arguing that essential technology for a less expensive, downsized, follow-on system is not yet mature enough.

In a letter to House Armed Services Committee Chairman Ron Dellums (D-Calif.), Perry says transitioning to an advanced Extra High Frequency (EHF) satellite system is an integral part of DoD 's investment strategy, but is technically challenging.

"During the Bottom-Up Review, the technical support group identified the lack of maturity in packaging microwave and digital electronics as a risk area in downsizing the satellite payload so it could be launched on a medium launch vehicle," Perry writes in the May 16 letter.

In the letter, Perry tells Dellums that the BUR technical support group evaluated numerous alternatives to Milstar while considering an updated threat estimate, operational requirements, cost-effectiveness tradeoffs, risk and affordability. The review "emphasized low and medium data capabilities for U.S. tactical forces" and "specifically addressed possible lower cost alternatives to the baseline program," Perry writes.

Industry and congressional observers, however, contend BUR officials did not take a thorough enough look at all the space-based communications assets available and only focused on Milstar.

Many observers view Perry's push to save Milstar as a response to congressional language which the Air Force may be viewing as a means to cancel Milstar before the planned constellation of six satellites is launched.

Indeed, Perry warned Air Force leaders this month not to try to kill Milstar early (*Defense Daily*, May 10). The Air Force has been eyeing Milstar termination as it aims to achieve about $3 billion in savings in its FY '96 program objective memorandum.

HASC, in its mark up of the FY '95 defense bill, gave DoD the option to accelerate work on the advanced EHF system. Specifically, the panel said DoD could use $12 million of the $607 authorized as either long-lead funding for Milstar II satellites 3 and 4 or to accelerate the advanced EHF system (*Defense Daily*, May 9).

The Pentagon's current investment strategy--procuring two Milstar I satellites, four Milstar II satellites, and then transitioning to an advanced EHF satellite not later than FY 2006--was selected because it "best met military requirements and represented the best means of providing essential capability while reducing overall program cost," Perry writes.

All other options, he says, "were higher risk and deferred providing essential operational capability."

Milstar I satellites are equipped with a low-data rate payload. Milstar II birds will be equipped with both low- and medium-data rate payloads. Lockheed builds the Milstar satellites,